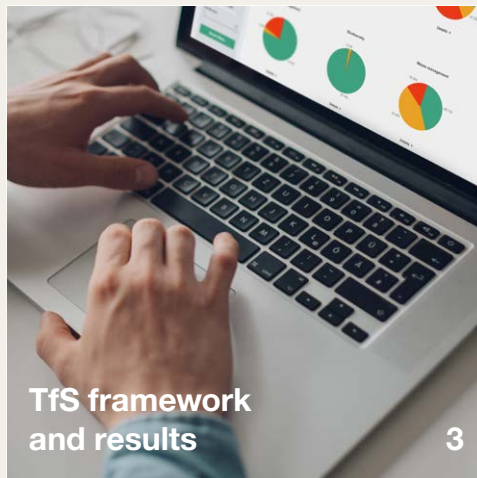


**Raising
CSR
standards
throughout
the chemical
industry**

Activity
Report
2023





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Message from the President



Dear TfS members,
suppliers, and friends,

The past year has been an important one for TfS as it experienced substantial growth and intensified collaboration, resulting in good outcomes.

The TfS initiative made considerable progress towards its 2025 Grow&Deliver strategy, particularly in addressing the chemical industry's response to climate change. Several initiatives in the domain of TfS Assessments and TfS Audits will ensure that the TfS framework, tools and processes remain future-proof. To ensure all stakeholders are on board and can work towards common goals, a robust capability-building and learning programme supports progress.

The TfS Scope 3 greenhouse gas (GHG) emissions programme has made significant progress. It now contains the full end-to-end TfS solution, which includes the PCF Guideline, the White Paper, and the piloting of the PCF data-sharing solution. These tools will empower TfS members and suppliers to deliver meaningful, high-quality data and share them through a trusted platform. This will create transparency and significantly help the industry to monitor, manage, and take steps to reduce its Scope 3 GHG emissions. The Scope 3 programme promoted TfS's initiative with chemical and other associations, as well as downstream industries in key TfS regions.

The TfS Academy and the TfS learning and capability programme have significantly expanded their offerings to educate and train TfS members and suppliers. These include courses in the TfS core offerings and processes, the Scope 3 challenge, and other areas. Clear messaging and understanding are critical as these programmes mature for successful change management.

10 companies joined TfS in 2023, significantly fuelling the growth and impact of the TfS initiative on the sustainability performance of chemical supply chains. The TfS warmly welcomes Hüttenes-Albertus Chemische Werke (HA Group), Indorama Ventures, Johnson Matthey, Momentive Performance Materials, Nouryon, Oleon, SABIC, Synthomer, Tricon Energy and Yara into the TfS fold, bringing the global membership to 50 chemical companies.

The TfS Regional Operating Committees increasingly contribute to the facilitation and global impact on the sustainability performance of suppliers in Asia (China, India, Japan, and Singapore), North America (US), and Latin America (Brazil). The Committees played a vital role in the regional rollout of the PCF Guideline, in partnership with regional chemical associations and other organisations. Their partnership with the regional chemical associations has resulted in joint events and raised awareness of TfS. The Committees are also instrumental in driving regional membership.

On behalf of the Steering Committee, I thank the entire TfS community, including all TfS CPOs, TfS Coordinators, global, and regional Workstream members, buyer communities, suppliers, stakeholders, and key partners for their dedication and commitment to the TfS initiative. I invite all chemical companies who share our ambition to join us and invite their suppliers to participate in our Assessments and programme and work together towards reducing their GHG emissions.

As we approach 2030 - the target year for the United Nations Sustainable Development Goals and the 1.5 degrees Celsius global warming limitation target of the Paris Agreement - climate issues are critical. The need for sustainable businesses only intensifies. TfS is the crucial enabler to make supply chains and businesses more sustainable. Let us continue the journey of working together to develop and implement sustainable responsible sourcing solutions for a better world.



Jennifer Jewson
President TfS

About TfS



**TfS is a global organisation,
with headquarters in
Brussels, Europe.**



**Regional representation
by TfS members in Asia
(China, India, Japan, and
Singapore), Brazil and USA.**



**Develops and drives
innovative responsible
sourcing solutions through
the global chemical industry.**

50 Members



Over

€ 800 billion

Global turnover of TfS member
companies in the chemical industry¹

€ 500 billion

Global spend of TfS member
companies in the chemical industry²

¹ As per TfS member companies published Annual Reports 2022
² Estimated figures

TfS framework and results

TfS Scope 3 greenhouse gas emissions programme advances Scope 3 transparency in the chemical industry

The TfS Scope 3 greenhouse gas (GHG) emissions programme continued to advance its work on Scope 3 transparency in the chemical industry in 2023. Its overall aim is to address the significant share of indirect GHG emissions represented by the industry.

Workstream 5 ('Scope 3 GHG emissions'), pooling expertise from people across more than 30 TfS member companies, continued its work along key focus areas:

- **Standardised approaches:** Developing standardised methodologies for the chemical industry to quantify corporate Scope 3 – Category 1 GHG inventories and product carbon footprints (PCFs).
- **Data sharing and exchange:** Developing a TfS PCF data-sharing solution to amplify the flow of PCF data of chemical products and materials along the value chain.
- **Cooperation with external partners:** Collaborating with the external Scope 3 transparency and PCF ecosystem to ensure cross-industry alignment and global harmonisation.

Key milestones were achieved in 2023 across all Workstream focus areas, thanks to the high level of engagement and commitment of the member companies.

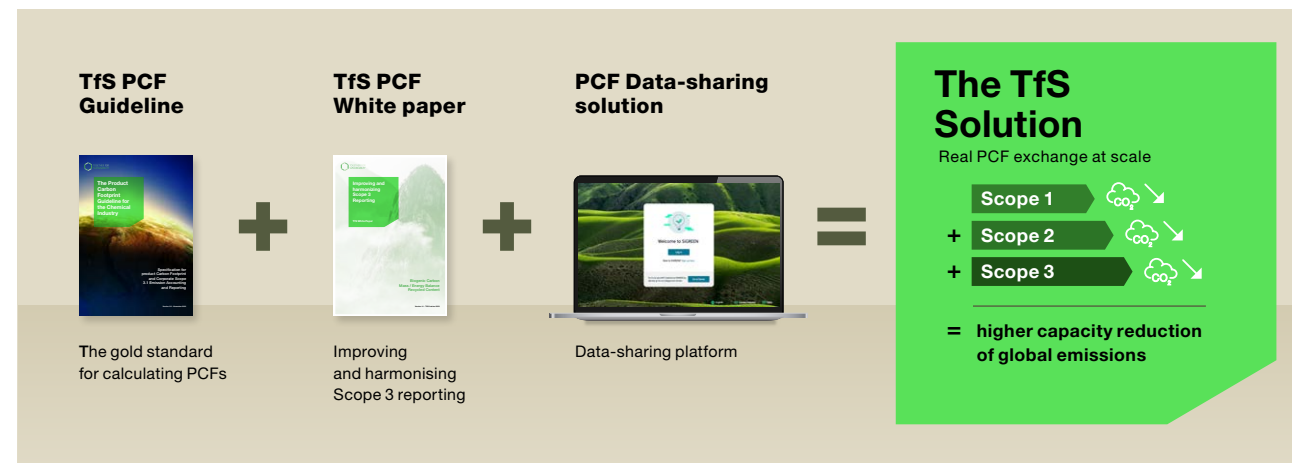
The programme's significant accomplishments in 2023 include:

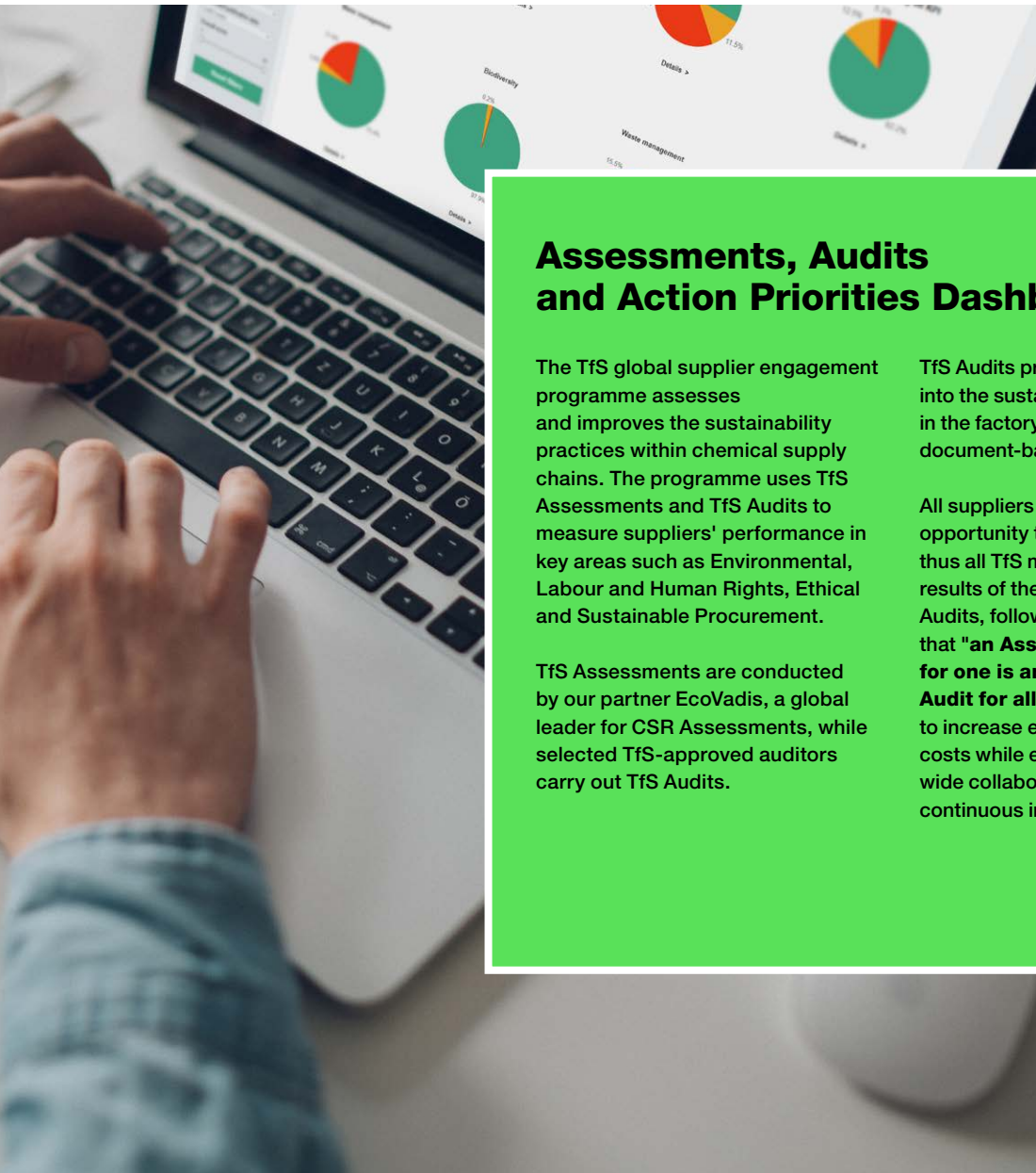
- **Writing the White Paper:** TfS published its first White Paper, "**Improving and harmonizing Scope 3 Reporting**". It explores the challenges and potential solutions to harmonise carbon accounting methodologies for a more sustainable chemical industry and is a complementary document to the PCF Guideline published in 2022. Three vital topics for the chemical industry are explored in detail: biogenic carbon; mass and energy balance; and recycled materials and content.
- **Piloting the PCF data-sharing solution:** TfS successfully prepared for a pilot of its PCF data-sharing solution using Siemens' SiGreen technology. The pilot entailed a preparation phase followed by sequenced data-sharing tests - first between TfS members and later involving external suppliers. The pilot started in mid-2023 and will run until the first quarter of 2024.

- **Engaging with stakeholders:** TfS successfully engaged a wide range of stakeholders to raise awareness about the TfS PCF Guideline. To date, over 60 associations & initiatives have been approached with over 100 engagement points. Global outreach was initiated in all regions where TfS operates. The aim is to share best practice and inspire others in the value chain to join TfS in its ambition to tackle Scope 3 GHG emissions. The World Business Council for Sustainable Development (WBCSD) and Catena-X continue to be key partners in the TfS Scope 3 GHG programme.
- **Fortifying decarbonisation learning:** A detailed decarbonisation learning programme is being developed by Workstream 4 ('Capability Building and Communication') to complement the activities of Workstream 5 ('Scope 3 GHG emissions'). The first five training courses are already available in the TfS Academy in English, Spanish, Portuguese and Chinese:
 - Get ready to decarbonise: Introduction.
 - What are Scope 1 & 2 emissions?
 - What are Scope 3 emissions?
 - Intro to Climate Target Setting
 - Understanding Product Carbon Footprint: A Key to Environmental Responsibility

In 2024, the programme will continue activities across its core focus areas. Projects include the update of the PCF Guideline to its second full version, and the conclusion of the PCF data-sharing pilot. A key focus in 2024 will be the roll-out of the PCF data-sharing solution to all TfS members and suppliers, and the integration of the PCF data-sharing solution to complement the PCF Guideline into global outreach activities.

The TfS PCF Data-sharing solution is being piloted until Q1 2024.





Assessments, Audits and Action Priorities Dashboard

The TfS global supplier engagement programme assesses and improves the sustainability practices within chemical supply chains. The programme uses TfS Assessments and TfS Audits to measure suppliers' performance in key areas such as Environmental, Labour and Human Rights, Ethical and Sustainable Procurement.

TfS Assessments are conducted by our partner EcoVadis, a global leader for CSR Assessments, while selected TfS-approved auditors carry out TfS Audits.

TfS Audits provide direct insights into the sustainability practice in the factory as opposed to a document-based TfS Assessment.

All suppliers are given the opportunity to share their results, thus all TfS members receive the results of the Assessments and Audits, following the principle that **"an Assessment or Audit for one is an Assessment and Audit for all"**. This approach helps to increase efficiency and reduce costs while encouraging industry-wide collaboration and promoting continuous improvement.



TfS Assessments

Enhancing data transparency

A major topic for TfS is the growing availability of data. The **Digitalisation Project**'s primary objective is to create a comprehensive data repository that includes data from Audits, Assessments and the TfS Academy. It will seamlessly integrate with the internal reporting systems of our member companies.

The main challenges in this project are the complexity of the data and, most importantly, the different systems that each TfS member operates. The project's first phase, including piloting, is expected to be completed by the end of 2024.

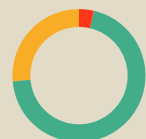
Action Priorities Dashboard

The TfS Action Priorities Dashboard, launched in 2022 by TfS Workstream 2 ('TfS Assessments') and EcoVadis, enables the TfS network to focus on common actions by utilising available data.

The primary objective is to improve due diligence by prioritising emerging topics based on their urgency. In 2022, the focus was on tracking child labour, forced labour, human trafficking, corruption, Scope 1 and 2 energy consumption, and GHG emissions from suppliers. In 2023, water management was added to the list of topics, with more topics expected to be included in the future. These topics can be analysed at a macro level and brought to the attention of all members, as well as at an individual supplier level. A list of areas for improvement is used to categorise each topic as either low, medium, or high priority.

Action Priorities for partners

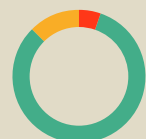
Child labour, forced labour
& human trafficking



Energy consumption
& GHG emissions



Reporting on KPI



Corruption



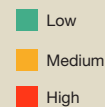
Water management



Biodiversity



Waste management



TfS EcoVadis cross-member webinars

TfS, together with EcoVadis, hosted a global webinar series covering diverse topics of interest. The series featured morning and afternoon sessions to accommodate attendees from around the world.

Topics included:

Procurement Training

26 September 2023	257 participants
-------------------	------------------

TfS Coordinators and Procurement teams were informed of the latest updates to the EcoVadis platform, benefits for suppliers, and how to make the best use of the sector initiatives features.

Dashboard Training

10 October 2023	72 participants
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In the context of common actions coming from the Action Priorities Dashboard, this webinar provided TfS Coordinators and Procurement teams with insights on aligning their messaging and coordinating their findings from Audits and Assessments.

Joint Carbon Story

25 October 2023	139 participants
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The webinar helped attendees understand how to factor a supplier's greenhouse gas (GHG) emissions into their own company's Scope 1, 2 & 3 emissions reporting. The event was open to TfS Coordinators, procurement teams, buyers, category managers, sustainability and supply chain teams, and ESG practitioners who wanted to learn more about carbon metrics and how to align them in a TfS context.



TfS Audits

Future-proofing TfS Audits

During 2023, TfS Workstream 3 ('Audits') aimed to ensure that the TfS Audit approach is "future-proof" in the face of evolving due diligence legislation. Throughout the year, the Workstream took the following actions:

Alignment with the most recent due diligence laws: To comply with the latest due diligence laws (including the stringent requirements set by LkSG and EU legislation), the TfS Audit questionnaire was reviewed by members and external experts at the beginning of 2023. Based on feedback, the Workstream added or updated questions. The TfS team of internal experts has also reviewed each chapter to identify and remove any outdated content.

Increased accuracy: Moving the TfS Audit from an offline to an online tool ensures auditors always have the latest version at their disposal and updates can be integrated regularly.

Improved quality standard: By steering Audits through an online application, the likelihood of errors and quality issues can be significantly reduced. Additionally, TfS will closely monitor the reasons behind any non-conformities. Thanks to the **TfS Academy**, we can design a comprehensive auditor training programme that will effectively transfer the necessary knowledge.

Continuous synergy with similar standards: Several of our members, or their suppliers, utilise Audit programmes like SMETA, SQAS and PSCI to enhance sustainability in their supply chains. TfS acknowledges these programmes as valid alternatives to avoid duplication of efforts by suppliers. In 2023, TfS also recognised the Chemical Road Transportation Safety Assessment System (CRSAS) from China as an equivalent of TfS Audits.

CAPs and data mining

Both TfS Assessments and TfS Audits lead to the development of Corrective Action Plans (CAPs), a set of actions that help member companies take concrete steps to improve their supply chains. By mining data from these Assessments and Audits, TfS can identify areas where the most significant improvements can be made. The analysis of this data will guide capacity building in target countries and suppliers.

TfS Assessments

Analysis of average scores per parameter indicates that in 2023 all parameters increased by 2-3 points compared to 2022. **Labour & Human Rights** scored the highest and **Sustainable Procurement** the lowest.

Benchmarking the results of TfS suppliers that have been assessed in the past 36 months and supply chains against non-TfS average scores demonstrates that TfS suppliers consistently rank above the overall EcoVadis population of rated suppliers.

62% of the TfS suppliers that we re-assessed in 2023, reached a higher score in their Re-Assessment. Across all the re-assessed suppliers, the overall score improved by 3.9 points, with the biggest improvement seen in the ENV section (Supplier Environmental Score) at 4,7 points. However, this improvement score of 62% is lower than the previous year's due to a complex mix of factors, including a high initial Assessment score, involvement of risk countries and a focus on certain business categories.






	 All	 Environment	 Labour/Human Rights	 Ethics	 Sustainable Procurement	
Sustainability performance of TfS Suppliers	11,421 Suppliers	53.4	55.4	55.8	50.4	44.1
Benchmarking TfS suppliers vs all Assessments in the last three years	16,906 vs 128,765 Companies	+ 4.7 50.6 vs 45.9	+ 5.8 51.9 vs 46.1	+ 4.6 53.4 vs 48.8	+ 4.2 47.8 vs 43.6	+ 4.0 41.6 vs 37.6
Reassessments of TfS Suppliers	62% Improvement score	+ 3.9	+ 4.7	+ 3.6	+ 3.1	+ 3.4

Figure: Tableau average scores per section

 More at tfs-initiative.com

TfS Audit findings

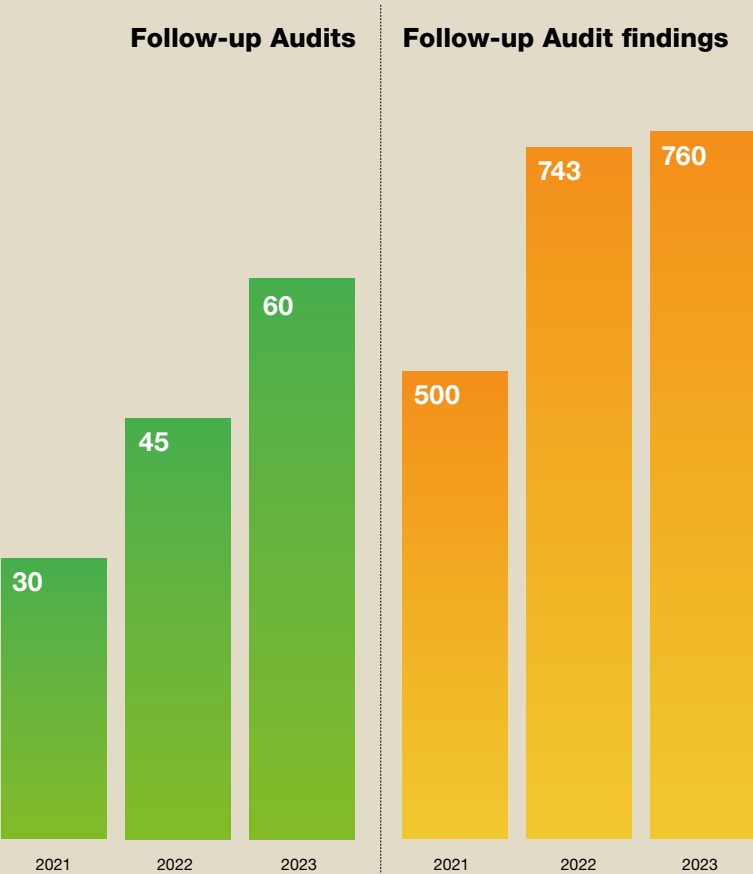
The TfS Audits evaluate suppliers in five categories: Management, Environment, Health & Safety, Labour & Human Rights, and Governance. Each supplier Audit has 150 standardised questions.

In 2023, TfS analysed 492 Audits and recorded approximately 4,100 findings. Most of these findings were related to **Health & Safety**, which is the most critical issue. Emergency handling and preparedness, as well as Occupational Health & Safety, remain a concern, so the TfS Academy provides courses to suppliers on these subjects.

The most common environmental issues uncovered were related to monitoring GHG emissions and waste-related problems. Regarding **Human Rights**, data analysis showed that most findings were related to working hours and wages.

In the **Management** section, the issues that remain problematic are monitoring and documenting supplier and contractor risks and human rights violations, along with policy and continuous improvement-related issues.

In 2023, **60 follow-up Audits were conducted**, covering around **760 findings**. After the Audit, **200 suppliers documented improvement** by updating their Corrective Action Plans online.



KPIs

TfS KPIs for Assessments and Audits are designed to promote transparency and have a positive impact.

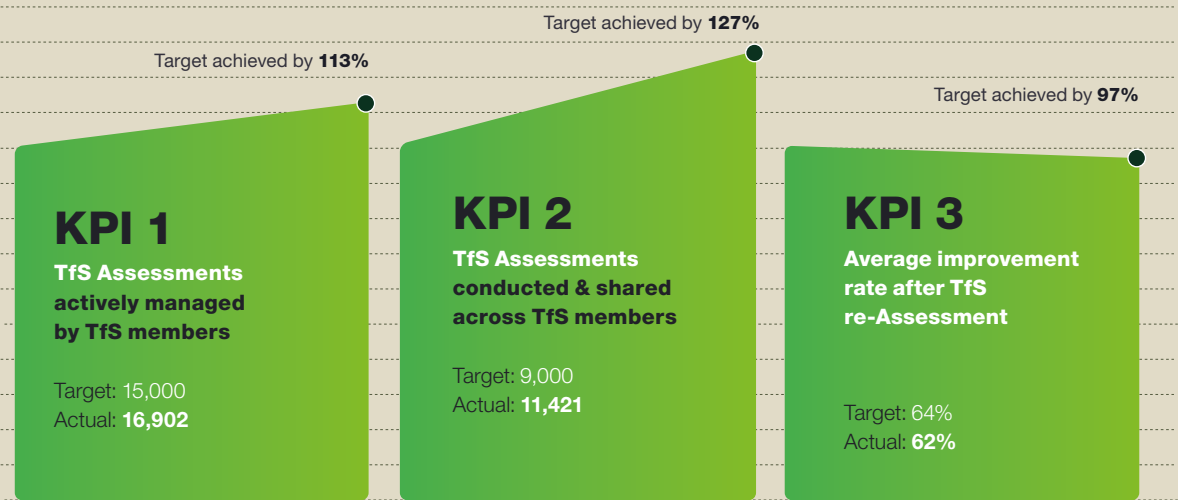
The sharing of Assessment and Audit results enables a dialogue on improvement between member companies/customers and suppliers. 4,650 suppliers have demonstrated sustainability improvements after a TfS Assessment or TfS Audit or TfS re-Audit.

In line with its sustainability strategy and ambition, each TfS member company sets its annual target to contribute to the TfS KPIs. The aggregation of each of these targets forms the global KPIs that the TfS community is collectively working towards. This reflects the idea that, while each TfS Member has its strategy, through collaboration these contributions are amplified.

Self-defined targets also strengthen the responsibility and ownership of member companies for their TfS Assessments and TfS Audits and follow-up.

Assessment KPIs

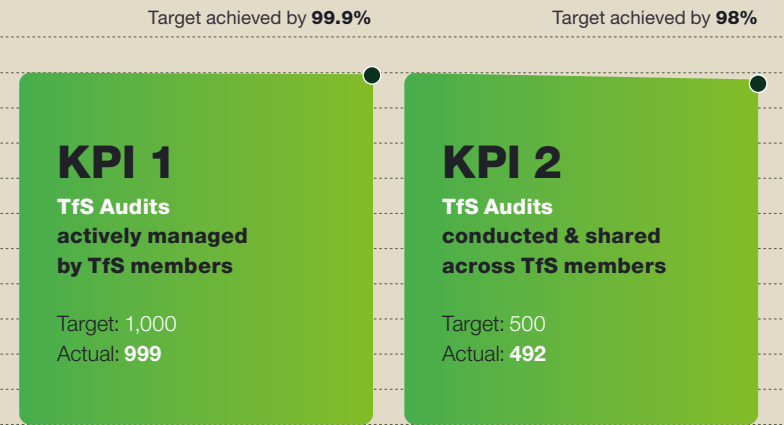
As of 31 December 2023



Despite the ongoing global uncertainty and significant business challenges, the members of TfS have performed well on all KPIs. This has been possible thanks to the continuous efforts of buyers, suppliers, audit companies and the TfS office.

Audit KPIs

As of 31 December 2023



This year, we observed a significant effort in setting up new Audits or following up on the current ones. The updated online system has supported many suppliers in completing Audits more efficiently, which has subsequently helped members in their Audit planning.

Thanks to the OASIS database, resources have been reallocated towards Audit preparation. In previous years, a lack of good Audit preparation often resulted in delayed Audits. With the new online Audit request tool, members can now monitor supplier progress towards the Audit and resolve bottlenecks much faster.

Supplier improvements

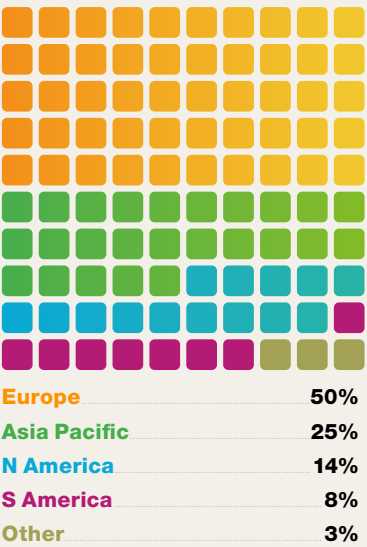
documented in TfS Assessment or TfS Audit follow-up or re-Audits in 2023:

4,650

Regional perspective

TfS Assessments

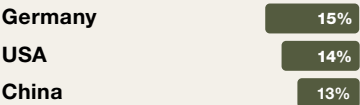
per region 2023



Regarding sustainable Assessments, we see a strong shift towards Europe while Asia - China in particular - reinforces itself as the go-to region for sustainable Audits.

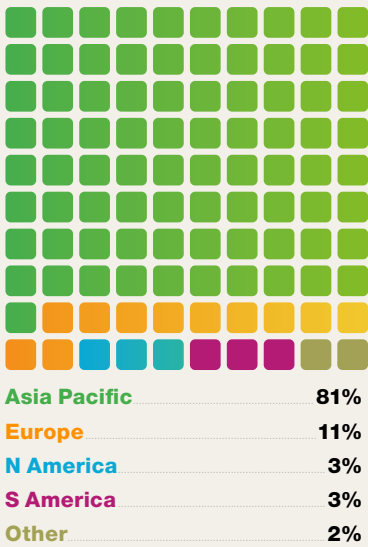
TfS Assessments

top 3 countries



TfS Audits

per region 2023



TfS Audits

top 3 countries



The top three countries of assessed suppliers have slightly shifted year on year, with the USA and China swapping places. Currently, there are slightly more assessed suppliers in the USA than in China. When comparing the size of audited suppliers, China has increased its lead from 52% to 61%, while the number of suppliers in India has declined from 16% to 10%.

TfS - a network of support, education and training

Explore the initiatives undertaken by TfS in 2023 focusing on learning and development, and community building.

TfS Capability Building – initiatives and achievements

The initiatives of TfS Workstream 4 ('Capability Building and Communications') link TfS learning and development activities to due diligence initiatives. These include TfS Assessments and Audits, developing decarbonisation training content in line with a focus on reducing Scope 3 emissions, and continuously improving the TfS Academy.

Enabling collaborative action

The Workstream set out to promote collaboration, sustainability, and accessibility for suppliers, aligning with TfS' commitment to facilitate shared improvement projects and build a thriving, interconnected community.

Mapping TfS learning offer to findings from supplier Assessments by EcoVadis

The Workstream began aligning its learning offer with findings from the supplier Assessments by EcoVadis and automate course recommendations for suppliers. The mapping exercise has been finalised. The Workstream also developed Communication materials to help members make course recommendations for their suppliers.

Decarbonisation training for TfS members and suppliers

The new decarbonisation training programme for TfS members and suppliers was launched. Topics range from an introduction to climate change that highlights the urgency to act now, to courses on how to take emission reduction measures.

Examples of decarbonisation courses that are already available include those for Scope 1, 2 and 3 emissions including guidance on calculating one's scope inventory; and the importance of and steps towards setting climate targets. All courses are available in English, several have also been translated into Spanish, Portuguese and Chinese. Further content is being developed.

Lastly, to increase the scale and impact of shared supplier improvement projects – and following user feedback – various projects focused on continuous improvement were implemented.

Simplifying supplier access to the TfS Academy

Access to knowledge is key and should come without hurdles. By easing access to the TfS Academy for suppliers to TfS member companies, Workstream 4 enabled them to use the TfS learning offer effectively and efficiently. The access process for suppliers was streamlined by simplifying self-registration.

Developing learner-centric content

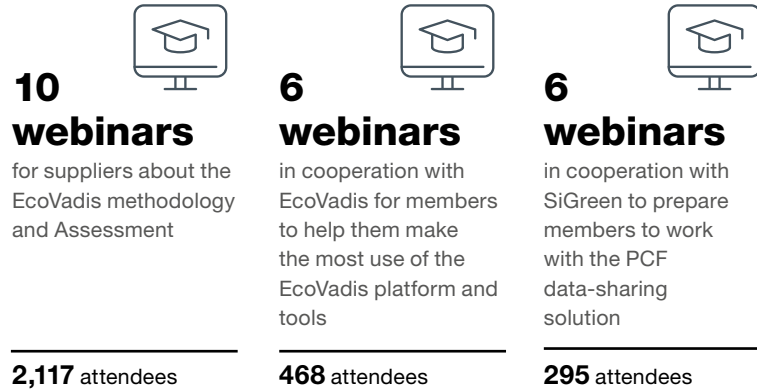
Personalised learning journeys were created for TfS Academy learners to meet their unique needs. Learning recommendations were expanded and based on more refined positions (e.g., operational or strategic buyers). New audience groups (e.g., human resources managers, sustainability experts) are included.

Building learning partnerships with other organisations

The Workstream contacted different partners and is scoping proposals for potential learning partnerships. This collaborative approach has the potential to enrich the TfS Academy's content with diverse and valuable resources (e.g., helping suppliers not just through e-learning that teach them why an issue is important and what to do, but also help with templates to address EcoVadis findings related to missing policies).

Learning & development data

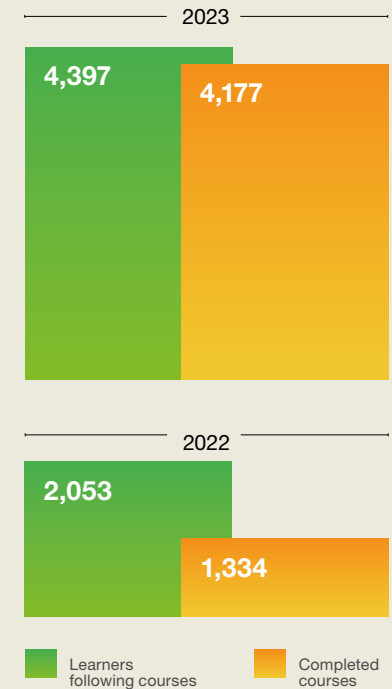
In 2023, TfS delivered webinars for both TfS members and their suppliers:



The TfS Academy is currently mainly used by learners from member companies. With simplified self-registration for suppliers, we hope to expand this to representatives of suppliers in 2024. Currently **2731 users are from TfS members, and 359 from suppliers.**

Together they completed **4,177 courses in 2023** - three times more than last year.

In general, the most popular courses are those related to TfS core activities, such as Audits and Assessment, followed by environmental topics such as greenhouse gas emissions & decarbonisation.



More at tfs-initiative.com

Building stronger communities

TfS is dedicated to improving the sustainability practices of chemical suppliers worldwide. To achieve this goal, our community of members share information and best practices while adhering to antitrust laws.

With its focus on building stronger communities, TfS seeks to improve connectivity through information exchange and discussions. Examples include CPO discussions, #TfSTalks, TfS Round Table, #TfSConnect and the TfS Annual Workshop.

As a global platform for market leaders, TfS fosters an environment where its 50 member companies can collaborate and shape the future of the chemical industry. Through peer-to-peer networking, CPOs can share sustainability ideas, gain inspiration, and learn from their peers.

CPO discussions

In 2023, TfS CPOs engaged a global team on various issues:

Engaging a global team in Sustainable Procurement

Jennifer Jewson, LyondellBasell

Building Awareness and Accountability for Scope 3 beyond Purchasing

Cathy Budd, DOW

Evolving sustainability requirements and practices: TfS members' priorities and next developments

Jan Paul van der Velde, AkzoNobel;
Minco van Breevoort, Kraton;
Ilkka Nurmi, UPM

How to be successful in reducing the Scope 3 emissions

Erk Thorsten Heyen, Wacker

TfS Audits, sharing best practices as well as the benefits of Audits for members and suppliers

Steven Brughmans, BASF;
Bertrand Conquéret, Henkel

TfS Round Table

The TfS Coordinators' Round Table was launched in June 2022 as a platform for Coordinators across TfS member companies to connect, share ideas, discuss challenges, and access resources specific to their role.

During the monthly meetings, TfS Coordinators present, discuss and share their experience and knowledge on pre-selected topics. These range from supplier risk assessment, to reporting, and managing the TfS Audit programme internally.

To maintain an open environment for discussion, everyone is welcome to raise questions and topics related to their daily work as TfS Coordinators, and to learn from others.

The TfS Coordinators' Round Table continues to develop. Potential projects include collectively addressing high-risk sustainability topics with suppliers, and proposed improvements to the structure and organisation of the Round Table itself.



#TfSTalks

#TfSTalks are online discussions and knowledge-sharing opportunities prepared by TfS members on sustainability topics of mutual interest.

In 2023, TfS organised two #TfSTalks:

Sustainable Procurement - Integrating Sustainability in the Processes of Procurement

Fleur van den Heuvel Meerman, Senior Policy Advisor, IRBC SER
Board member - Open supply hub;
Bas van Deursen, Director Procurement EU Kraton;
Katrin Feyerabend, Team Lead Sustainability Purchasing Henkel;
and **Sabrina Ehemann**, Global Sustainability Manager Procurement Covestro

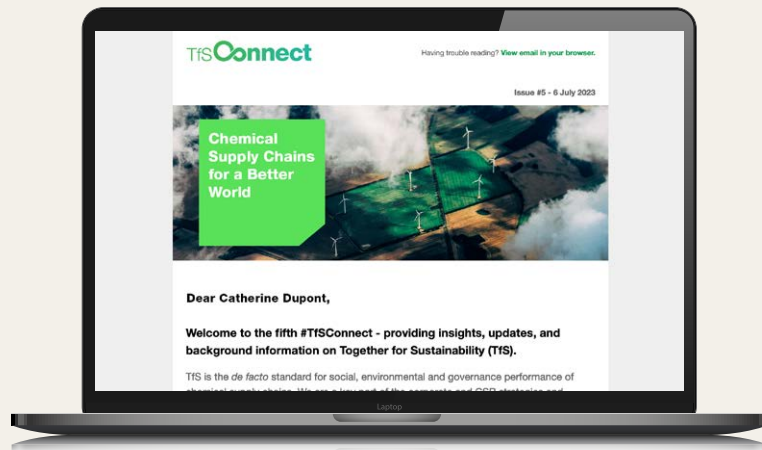
Scaling Sustainable Procurement Programmes

Raquel Althoff, EMEA Partner Human Rights ERM;
Leonardo Rentroia, Global Supplier ESG Program Manager DOW;
and **Dr. Finn Marten Körner**, Head of Capital Markets & Pension Asset Mgmt Treasury Henkel



A total audience of 529 was reached, with an average audience per session of 176. This represents an increase of 23% on 2022. Each of the #TfSTalks includes a lively Q&A session.

TfS Connect



#TfS Connect

The #TfS Connect newsletter is designed to keep the entire TfS community informed about the latest initiatives and progress made towards the TfS Grow&Deliver strategy. Representatives from member companies' Buyer, CSR, Investor Relations, Public Affairs, Human Resources, and CEO office departments, as well as TfS working members, are among the 786 subscribers. The newsletter was published twice in 2023: on 6 July and 6 November.

TfS Annual Workshop

The TfS Annual Workshop is the most important event for members of the growing TfS community. In 2023 the Workshop was hosted in Antwerp, Belgium, as a hybrid event on 20 - 21 September. Participants engaged in multiple break-out sessions and meetings to discuss current and future TfS activities. It is a unique platform for the TfS community to network and build strong connections.



Event highlights include:

- Opening and closing by TfS President Jennifer Jewson.
- A panel session "Global Outlook on TfS: Members' Perspectives" with speakers from TfS Workstreams, members and regions.
- Multiple breakout sessions, with four simultaneous presentations.
- Outcomes and upcoming projects resulting from the break-out sessions presented in a panel discussion.
- The closing keynote speech on Circular Procurement, given by Prof. Dr. habil. Elisabeth Fröhlich.

Attendees gave positive feedback about the workshop, with an overall satisfaction rating of 4.5 out of 5.



Recordings are available on the [TfS Academy](#).



The TfS family at the
2023 Annual Workshop



TfS - a global organisation

Chemical supply chains are complex and global. Our membership and their suppliers span the world, with regional support from TfS.

TfS is a global organisation headquartered in Brussels, Belgium, with regional TfS member representation in the Asia Pacific, Gulf Region, Latin America, and North America.

To further increase its impact on sustainability improvements, TfS aims to extend its reach and enhance its influence worldwide.

Therefore, TfS has an inclusive approach and welcomes applications from chemical companies worldwide that share the aspiration to actively engage with suppliers in sustainability improvement.

The TfS network of companies represents all segments of the chemical industry. TfS is committed to expanding globally.

TfS Regional activities

TfS ensures global support for the implementation of its programme through a network of Regional Operating Committees, comprising representatives of member companies in the region.

To increase membership, work on supplier improvement programmes and advance specific topics of joint interest, it is crucial that TfS develops and cultivates regional partnerships and close cooperation with regional chemical associations.



TfS AP (Asia-Pacific)

TfS China

In 2023, TfS China organised trainings, held meetings with other downstream industries to discuss the TfS Product Carbon Footprint (PCF) Guideline, pitched for chemical companies joining the TfS membership in China, and made good progress with its TfS WeChat account.

Training

TfS China organised an online Supplier Training '2023 Part 2 – EcoVadis Corrective Actions', with around 200 participants.

TfS China held its 2023 Supplier Training event at the 14th China Petroleum and Chemical International Conference (CPCIC) in Ningbo, with over 200 attendees.

BASF China hosted the internal 'Train the Trainer' session which focused on LCA fundamentals and PCF Guideline introduction.

Exchange with other regional associations

TfS and the China Petroleum and Chemical Industry Federation (CPCIF) held a workshop on the PCF Guideline in Ningbo.

The CPCIF International Exchange and Foreign Enterprises Committee (Foreign Investment Committee) Carbon reduction and carbon neutrality research group held a meeting in Beijing. Representatives of the TfS China Regional Working Group on Scope 3 GHG emissions were invited to participate.



TfS member company BASF shared the use of the TfS PCF Guideline and the practices of product carbon footprint management.

TfS partnered with the China Automotive Technology & Research Center (CATARC) to jointly host a session on the PCF Guideline.

Pitching new TfS members in China

The TfS China Regional Committee engaged in extensive communication with several Chinese chemical companies to examine potential TfS membership.

WeChat articles

TfS China published 46 articles on the TfS WeChat account, growing its total number of followers to 4,351.



TfS Japan

In mid-2023, TfS Japan established its operational structure and accelerated its activities.

To increase the number of TfS member companies, briefing sessions were held at several chemical companies in Japan. TfS Japan also had the opportunity to present the TfS PCF Guideline to the regional chemical

association, (JCIA), as well as regional industrial associations such as CLOMA, JPCA, JRPF, and GCNJ. To raise awareness of TfS in Japan, communication materials were translated into Japanese and published on the TfS website. In November, TfS Japan gave its first media interview to introduce TfS and its activities in Japan.



TfS Singapore

TfS Singapore focused on raising awareness of the TfS initiative. In November, an interview with TfS General Manager Gabriele Unger was published in GRB Global Business Reports Singapore Chemicals, Ingredients and Materials 2023. TfS also released the first edition of its 3-part advertorial series with EcoBusiness, a media and business intelligence outlet dedicated to sustainable development and ESG

performance, specifically for the Asia Pacific region. The first advertorial focused on the key objectives of TfS, including the need for industry decarbonisation. The TfS Singapore team welcomed Synthomer as a new member and is looking forward to driving the TfS agenda in Southeast Asia in 2024.

TfS LATAM (Latin America)

In 2023, the TfS LATAM Regional Committee welcomed new members to their team.

The regional supplier training programme (available in Spanish and Portuguese) developed in collaboration with EcoVadis had two waves. The April sessions had 290 participants, and the September sessions 340. In November, TfS LATAM launched a campaign (in Spanish and Portuguese) to raise awareness about the TfS PCF Guideline.

Additionally, TfS LATAM launched a campaign to encourage its members and their selected suppliers to explore the TfS Academy to 'unlock their sustainability potential'. The campaign aims to promote sustainability within the industry and to demonstrate TfS LATAM's ongoing commitment to the cause.



TfS NA (North America)

The TfS NA team worked on enhancing its membership capacity this year.

The team has been conducting regular meetings, engaging with the global Workstream, and developing an improved onboarding programme. In 2023, the NA team had over 30 members actively participating in their regional team. Seven new members were onboarded.

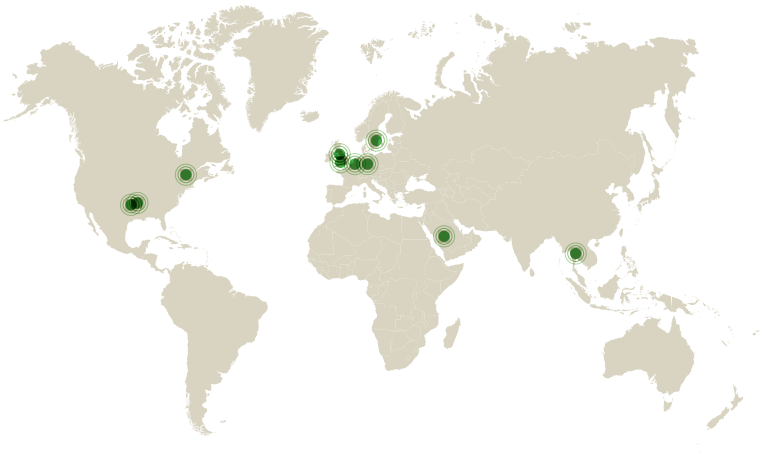
To improve communication and engagement, the TfS NA team carried out a series of exercises to assess challenges and opportunities. The team plans to continue this focus on engagement by creating a stakeholder mapping and engagement plan for North America for 2024.



New members

The TfS initiative welcomed 10 companies in 2023 bringing the total number of members to 50.

This significant milestone highlights the growing importance of TfS in promoting and implementing sustainability practices in the chemical industry's supply chains. With the urgent need to reduce carbon emissions and meet regulatory requirements, TfS offers innovative sourcing solutions that facilitate the creation of more sustainable and collaborative supply chains and businesses.



More at tfs-initiative.com



Hüttenes-Albertus Chemische Werke (**HA Group**), a global manufacturer of chemical products for the foundry industry, based in Germany



Indorama Ventures, a sustainable chemical company headquartered in Thailand



Johnson Matthey, a British-based global company in sustainable technologies



Nouryon, an American global specialty chemicals producer



Momentive Performance Materials, an American chemical company producing a portfolio of advanced silicones and specialty solutions



Oleon, producing ingredients from various industries using vegetable oils and animal fats, headquartered in Belgium



SABIC, a global diversified chemicals company, headquartered in Saudi Arabia



Synthomer, a British-based specialty chemicals producer



Tricon Energy, an American company active in the global trade and distribution of chemicals




















Yara, a global leading crop nutrition company

TfS Global Workstreams and Regional Operating Committees

A truly unique feature of TfS is that members drive the initiative forward - a crucial factor in its success. Representatives of member companies ensure progress is made through active participation in five Workstreams. These Workstreams also submit proposals to the TfS Steering Committee for ongoing projects.

TfS Global Workstreams

WORKSTREAM 1	WORKSTREAM 2	WORKSTREAM 3	WORKSTREAM 4	WORKSTREAM 5
Governance and Partnerships <p>Definition of governance structure of the initiative; Coordination of TfS external partnerships</p>	TfS Assessments <p>Improve and further develop TfS Assessments; Management of the relationship with service provider EcoVadis, together with TfS office</p>	TfS Audits <p>Improve and further develop TfS Audit programme and process; Management of the relationship with Audit companies, together with TfS office</p>	TfS Capability Building and Communications <p>Supplier capability building, development of training for buyers and suppliers, internal and external communications</p>	Scope 3 GHG emissions <p>TfS approach to measure and reduce GHG emissions including data collection and sharing; Engaging suppliers to improve as well as cooperating with external stakeholders</p>
 <p>Chair Virginia Morton SIKA</p>  <p>Co-Chair Sascha Ceylan EVONIK</p>  <p>Co-Chair Morne Labuschagne LANXESS</p>	 <p>Chair Sabine Zallinger WACKER</p>  <p>Co-Chair Judith Berger EVONIK</p>  <p>Co-Chair Hana Kollarova HENKEL</p>	 <p>Chair Sven Gelissen LANXESS</p>  <p>Co-Chair Christopher Easton SYNGENTA</p>  <p>Co-Chair Manuela Olivo SYNGENTA</p>	 <p>Chair Rebecca Weicht LYONDELLBASELL</p>  <p>Co-Chair Maren Hübschmann BAYER (since November 2023)</p>  <p>Co-Chair René Nieuwhof SABIC (since November 2023)</p>	 <p>Chair Katherine Agapitos SIKA</p>  <p>Co-Chair Peter Saling BASF</p>  <p>Co-Chair Guillaume Piet GIVAUDAN</p>  <p>Co-Chair Verena Buback MERCK</p>  <p>Co-Chair Alessandro Pistillo BASF</p>

TfS Regional Operating Committees



TfS Office

The TfS office is involved with the activities of TfS Workstreams; prepares and facilitates the meetings of TfS bodies; is in contact with existing and potential TfS members and cooperation partners; and onboards new members. The TfS General Manager assumes the day-to-day leadership of the organisation.



Dr Gabriele Unger
General Manager



Maria De Rycke
Communications Manager



Margherita Locatelli
Member Engagement Manager



Claudia Riemer
Capability Building and
Training Manager



Jakob Smets
Manager



Marina Vese
Manager



Marion Vigier
Project Assistant

Governance

TfS – an international, non-profit association under Belgian law

TfS General Assembly

The highest decision-making body of the organisation, the TfS General Assembly, is composed of one CPO representative per member company who holds voting rights in the Association.

The TfS General Assembly holds an election for the TfS President and TfS Steering Committee every two years. Bertrand Conquéret (Henkel) served as the President for two consecutive terms of two years each and his presidency came to an end during the TfS General Assembly on June 13, 2023. Jennifer Jewson of LyondellBasell was then elected as the new TfS President for a term of two years. Representatives from BASF, Bayer, Dow, Evonik, Henkel and Wacker were elected to the TfS Steering Committee. This is the first time that CPOs outside of Europe have been included in the Committee.



Outgoing and new TfS President at the TfS General Assembly at OMV offices, Vienna, 13 June 2023



The TfS team at the TfS General Assembly at OMV offices, Vienna, 13 June 2023

TfS Steering Committee

The Steering Committee is the executive body of the association.

As of June 2023, the TfS Steering Committee consists of the following persons:

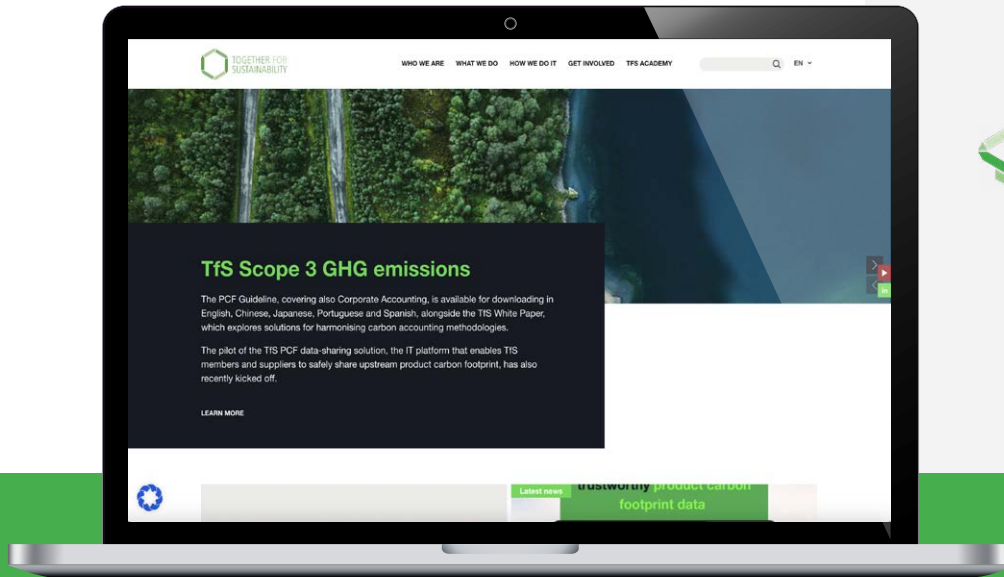


TfS Steering Committee - TfS General Assembly at OMV offices, Vienna, 13 June 2023

Learn more

TfS website

Your information platform for all TfS info, including the latest news on the **TfS Scope 3 GHG Emissions Programme**, **PCF Guideline**, and **TfS Academy**.



TfS YouTube channel

Containing several videos that help you better understand TfS, its strategy, activities, and processes.



TfS LinkedIn

Connect and follow TfS on LinkedIn to stay abreast of the latest TfS news and activities.



TfS Academy

Capability-building hub for TfS members and their procurement team, as well as for suppliers, to learn about the most pertinent and trending sustainability procurement topics.

Interested in joining TfS?

For more information, visit the TfS website
or contact: info@tfs-initiative.com



tfs-initiative.com

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